

~~RESTRICTED~~

12 July 1951

MEMORANDUM

SUBJECT: Centralizing Budgetary Control of O8 and O9 Funds

25X1A9a

1. Informal discussions with Mr. [REDACTED] of Procurement Office established a problem area and generally defined its limits. As Mr. [REDACTED] expressed it, "A lack of a central point wherein agency requirements in O8 and O9 object classes are correlated to generate stock piles of critical materials and dollar allocations required for submission to NPA and the Munitions board. In addition was a lack of simplified and expeditious means of encumbering purchase requests which results in delay in processing orders. A central point would eliminate the problems".

25X1A9a

2. Under present procedures, procurement representatives are not consulted in budget preparation so far as O8 and O9 object classes are concerned. This results in unrealistic budgeting and in omissions. It is the belief of Procurement that they should be directly involved from the earliest planning to the final budgeting for O8 and O9 object classes and, after approval of the budget, should have budgetary control within their office for two reasons. First, intelligent, reliable reporting to NPA and Munitions board of over-all agency requirements particularly in terms of dollar allocations of critical materials. The second reason is that with the budgets for O8 and O9 of the various agency units consolidated and controlled at one point, encumbrance would be made immediately and directly by the same staff which is concerned with the processing of purchase orders with a saving of time, personnel, money, and also allow anticipatory buying for stock pile purposes on agency wide basis.

[REDACTED]

25X1A9a

~~RESTRICTED~~